

1 proposal calls for the establishment of a regional children's  
2 television cooperative of broadcasters that would produce  
3 programming and research beyond the resources of any one  
4 member.

5           10 to 14 stations would comprise a regional  
6 cooperative, representing large, medium and small market  
7 stations. For example, Chicago could be a central large  
8 market that is surrounded by participating stations from Green  
9 Bay to Indianapolis. This region, 7 to 8 million households,  
10 would be large enough to establish a substantial revenue  
11 potential and small enough to maintain localism. The stations  
12 participating in the cooperative would be served by a central  
13 research production facility. This facility would conduct  
14 research on the needs of children in the region using focus  
15 group interview techniques, as well as conduct marketing  
16 research, establish programming goals, coordinate production  
17 and measure its effects on children. Production would rely  
18 heavily on volunteerism, local community activities,  
19 attractions and personalities.

20           Ron?

21           DR. DAVIS: Volunteers can be organized as advisors,  
22 as a publicity network and as facilitators of activities that  
23 meet children's needs more directly. volunteers can also be  
24 program resources. There is a great wealth of talent and  
25 information among the people of all communities and in effect

1 would be a television program created by the community, for  
2 the community, that would reflect the community.

3           Programs should be designed to reach an age specific  
4 audience of children who are accompanied by adults. This not  
5 only meets an educational need, it also serves to increase  
6 audience size, revenue potential and the scope of marketing.

7           If one regional cooperative is successful, it can be  
8 replicated in other regions, creating a national network of  
9 cooperatives that can share resources even more efficiently.  
10 This would increase both program quality and revenue.

11           The general strategy of the study is to create an  
12 efficient environment that is focused on a singular purpose.  
13 The purpose is to determine, through research, the most cost-  
14 effective means to produce programs that meet the educational  
15 and instructional needs of children. The study will let the  
16 FCC provide broadcasters with definitive, realistic  
17 requirements to meet children's needs.

18           If a 30 minute program aires daily throughout the  
19 test cooperative, at a time when children and adults can watch  
20 together, then significant revenue can be produced. An even  
21 split of revenue will compensate member stations and provide  
22 plentiful funds for production. The size of the production  
23 budget will be based on the actual revenue.

24           Once there is a clear potential to produce revenue,  
25 then start-up funds for the project can be found in any number

1 of ways.

2           The big question is how to motivate broadcasters to  
3 guarantee the quality air time and take advantage of the  
4 cooperative. The FCC will probably have to influence  
5 broadcasters to participate.

6           The National Commission on Children in its 1991  
7 report said that American children generally lack hopes and  
8 dreams or a vision of what their lives can become. Television  
9 can help. It is ubiquitous and non-punitive to children, it  
10 can communicate non-verbally and artfully, it conveys emotion,  
11 it can cost effectively use pre-produced resources, and it can  
12 serve as a catalyst for community action. Television can help  
13 if it is used effectively. The minimum recommendation --

14           MS. ELLERBEE: Excuse me.

15           DR. DAVIS: -- I'm on my last sentence -- is that  
16 the Commission require local broadcasters to conduct valid  
17 needs assessment and follow definitive statement of goals and  
18 objectives that they propose to meet and then require evidence  
19 that their programming meets those needs.

20           MS. ELLERBEE: Thank you. Next is Peter Walker,  
21 vice President and General Manager of WGN-TV, Chicago, on  
22 behalf of the Association of Independent Television Stations.

23           MR. WALKER: Thank you. I'm here on my own behalf  
24 as well. Good afternoon Mr. Chairman and Commissioners.

25           Recently, WGN-TV co-produced Energy Express. This

1 | was an educational and informational program designed for  
2 | young teens. My experience, therefore, embraces both  
3 | producing and broadcasting programming for children.

4 |           Energy Express constituted a major initiative for  
5 | WGN Television. The idea was born in July of 1992, green  
6 | light of that -- aired locally beginning in January and went  
7 | to national syndication in the Fall of 1993. We spent close  
8 | to a million dollars to produce 26 episodes and lost a  
9 | substantial amount of money.

10 |           Our experience is instructive and that the reasons  
11 | for our show's failure are not always self-evident. First,  
12 | money does not necessarily guarantee success. As one point of  
13 | comparison, the budget for each episode of Energy Express was  
14 | twice what we spend on a 3 hour Cubs baseball telecast.  
15 | Production quality was first rate. In fact, the show won  
16 | several awards.

17 |           Second, scheduling was not the problem. WGN, for  
18 | one, aired the program at 12:30 noon on Saturdays and in most  
19 | of its markets Energy Express was scheduled at 7 a.m. or  
20 | later.

21 |           Third, promotion, while essential to launch a show,  
22 | cannot ensure long term success. Energy Express was promoted  
23 | heavily by WGN. In addition, the show had its own feature  
24 | bulletin board on the America Online service.

25 |           Fourth, advertisers were eager to see the program

1 succeed. We took Energy Express to the market and had  
2 considerable success in terms of advertising sales but  
3 ultimately, when the show didn't deliver its targeted  
4 demographic, we didn't get paid. That's the way it works.  
5 So, good intentions aside, these shows must be held  
6 accountable in terms of their ratings performance because who  
7 otherwise is going to pay for them. As you know, local  
8 broadcasters are 100 percent dependent on abase revenues, no  
9 cable sub-fees, no government grants, no corporate  
10 underwriting.

11           Energy Express did not do well because enough kids  
12 did not watch it. That's the bad news. The good news is that  
13 we're committed to try again and if need be, again and again.

14           Looking at the marketplace as a whole, there is a  
15 perceived need for educational and informational programming.  
16 The syndication market is responding. Using a conservative  
17 definition of educational and informational programming, INTV  
18 found a number of these programs more than tripled from 1990  
19 to November of 1993. In looking solely at clearances on  
20 independent stations, these shows have increased in all time  
21 slots with 75 percent of the broadcast at 7 a.m. or later.

22           A separate station survey conducted by INTV in the  
23 first quarter of 1994 reveals that independent stations, on  
24 average, broadcast 4½ hours of regularly scheduled programming  
25 per week, with 80 percent of these programs broadcast at 7

1 a.m. or later. As an aside, none of the stations responded to  
2 the survey on the Flintstones or the Jetsons to meet their  
3 children's obligations.

4           Importantly, all video outlets available in the home  
5 are competition to a local television station. Cable  
6 networks, including the Cartoon Channel, TNT, USA, which are  
7 not subject to the 1990 Children's Television Act, and which  
8 routinely broadcast kids animated entertainment programs, are  
9 competition. National policy must examine the entire  
10 television landscape as it exists today and that is as the  
11 consumer views it.

12           Today we are debating two potential changes to the  
13 FCC rules. First, is there a need to adopt quantitative  
14 standards and, second, should we narrow the definition of what  
15 is educational and informational programming.

16           My response, and this is based on my experience, is  
17 that you cannot quantify quality nor pinpoint with certitude  
18 what educates and what does not. In the short run, if  
19 television stations are required to broadcast unappealing,  
20 albeit educational programmings, the audience will evaporate.  
21 No audience, no advertising. As stations lose revenue, they  
22 will no longer be in a position to bid for quality programming  
23 or serve the other diversities of their communities.

24           Narrowing the definition may also prove  
25 counterproductive. These government stipulations may well

1 interfere with the, with the creative process.

2           For all of us here to accomplish our goals, these  
3 shows must actually be viewed by children. My experience, as  
4 one general manager demonstrates, this is no easy task. More  
5 is not necessarily better in television. We need to do what  
6 we do well or we don't accomplish anything. It is imperative  
7 that any goals that are set are attainable ones. And I'd like  
8 to repeat that, that any goals that are set are attainable  
9 ones. Allow us to work it out within our markets. Don't be  
10 too quick to dismiss -- programming elements over longer form.  
11 I would suggest to you that a teacher needs both kinds of  
12 exposure, his or her hour before a group of 30 children in the  
13 classroom and his or her 5 minutes in front of 2000 kids at  
14 assembly who you'll otherwise never reach. You need both  
15 forums.

16           Having -- philosophical, I recognize that Congress  
17 looks to the FCC to make their legislative initiatives flower.  
18 In truth, the 1990 Children's Television Act has stimulated  
19 the market; however, recognizing that there's a fine line  
20 between stimulating and over regulating and that the FCC must  
21 strike a delicate balance. INTV and Tribune Broadcasting have  
22 proposed a policy statement encouraging stations to broadcast  
23 2 hours a week of educational and informational programs. We  
24 believe this strikes a reasonable balance and should be given  
25 serious consideration.

1 Thank you.

2 MS. ELLERBEE: Thank you. The next panelist is  
3 Geraldine Laybourne, President of Nickelodeon.

4 MS. LAYBOURNE: Hi, I'm Geraldine Laybourne,  
5 President of Nickelodeon. And it's an honor to represent  
6 Nickelodeon and our parent company by -- in this important  
7 session.

8 Every time I participate in a hearing on children's  
9 television, I suggested that there be more of them. As both a  
10 mother and a television executive, for me there is no more  
11 important issue.

12 I will begin my remarks, first, by answering the  
13 economics question broadly based on Nickelodeon's experience  
14 and then by specifically addressing the roadblock to economic  
15 success given the current television landscape.

16 We have found at Nickelodeon that it is possible to  
17 make a business out of producing programs that are good for  
18 kids because, frankly, in the long run, it's good for  
19 business.

20 By serving our audience with programs that are high  
21 quality, we are able to strengthen our relationships with  
22 kids, parents, affiliates, advertisers, and other key  
23 constituencies. That may be against the conventional wisdom  
24 but we've formed an entire business based on bucking  
25 conventional wisdom.



1           For example, conventional wisdom told us that kids  
2 will only watch cartoons and that they had to be based on  
3 characters that were presold and premarketed. Two other  
4 personal favorites of mine, program only to boys, girls will  
5 watch anything, and kids can't take straight information. You  
6 have to sugarcoat it. Then there's the time honored -- that  
7 says give kids blood and gore and your ratings will soar.  
8 We've proved conventional wisdom wrong time and time again.  
9 We are proud when kids jump up out of their chairs to root for  
10 our live action shows. We're proud to have created shows with  
11 girls at the center which boys like to watch. We're proud to  
12 have introduced kids to Doug, an 11 year old super hero whose  
13 power derives from common decency. What a concept. And proud  
14 to have kids embrace the powerful straight talk of Nick News.

15           Why did we do this and why are we launching  
16 initiatives like the Big Help, a \$10 million public service  
17 campaign that encourages kids to get involved in community  
18 service? Why do we hold anti-violence workshops for the  
19 producers of our shows? Why do we work fitness and nutrition  
20 messages into our programming and why are we making a \$30  
21 million commitment to Nick, Jr., our block of programming for  
22 pre-schoolers? Because in the end we believe that if you  
23 listen to kids, help them learn to question and be curious,  
24 give them a sense of how they can plug into their world and  
25 treat them as important, then they think you're important,

1 too. And I think Sheldon Turnipseed said that very  
2 beautifully in this morning's panel.

3 Our mission has been to connect with kids through  
4 improved entertainment based programming but we've also made a  
5 visible and substantial financial commitment to educational  
6 programming. Nick News, a news show that's been mentioned  
7 many times today, is the best example. And because we believe  
8 in its importance to kids, we made it available to broadcast  
9 stations around the country.

10 Does Nick News help raise better citizens? You bet.  
11 Does Nick News make money for us in syndication? No. Even  
12 with a show whose production costs are totally underwritten by  
13 our network, the barter revenue from the show barely covers  
14 promotional and distribution costs. And in all honesty, if an  
15 award winning show whose costs are already funding cannot make  
16 money, where's the incentive to others for investing in this  
17 kind of programming?

18 At Nickelodeon we are fortunate to have the ability  
19 to produce shows that we think are worth producing because we  
20 have the luxury of two revenue streams; one from advertisers  
21 and one from affiliates. This puts us in a unique position  
22 because we are able to make decisions that are not based  
23 solely on the advertiser.

24 In addition, we have -- in addition, we have 96  
25 hours of available programming which allows the kinds of

1 things we want to do even if one revenue stream is not as  
2 strong as it would be for other programming. We do not have  
3 to approach our business as if every product on the shelf  
4 needed to sell equally.

5           The CTA laid out the criteria for broadcasters and 4  
6 years later we see very little impact. I think most of us  
7 understand why, because these efforts were laid on top of a  
8 business as usual scenario. Broadcasters were told to deliver  
9 educational programming to kids. Some enterprising  
10 educational efforts got off the ground but the underlying  
11 dynamics never changed. Where is the corporate leadership  
12 that can change these dynamics. It's hard to imagine many  
13 broadcasting companies saying to their programming division, I  
14 understand it's important for us to be good citizens and take  
15 a long term view of what's good for our community. Please  
16 feel free to deliver 10 percent less to the bottom line from  
17 your kid's business. It's hard to imagine any of the major  
18 advertisers saying, this is a national problem. I'm sorry,  
19 I'm over my time?

20           MS. ELLERBEE: Yes.

21           MS. LAYBOURNE: Darn, I do have a suggestion.

22           MS. ELLERBEE: Our final panelist today is Jaime  
23 Davila, Chairman of Univision Network.

24           MR. DAVILA: Thank you.

25           MS. ELLERBEE: I can say your name okay but I can't

1 say Univision.

2 MR. DAVILA: Thanks, Linda. I am Jaime Davila,  
3 Chairman and the CEO of the Univision Television Network.

4 Univision is the oldest, largest, and most popular  
5 Spanish language television network in the United States with  
6 37 broadcast affiliates and over 600 cable affiliates in areas  
7 outside of broadcast areas. Together with our affiliates we  
8 provide 92 percent of U.S. Hispanic households with  
9 exclusively Spanish language programming 24 hours per day.

10 Univision long ago recognized the special  
11 responsibilities, virtually unique responsibilities that go  
12 with being the major source of programming and information in  
13 Spanish language households. One of these responsibilities is  
14 to provide quality educational programming for our young  
15 viewers and, in fact, Univision has provided such programming  
16 to its audience for many years, long before the adoption of a  
17 Children's Television Act.

18 Consistent with its long term commitment for quality  
19 children's programming, Univision can only support the  
20 Commission's goals in implementing the Act. I have  
21 previously submitted my remarks in writing and ask that they  
22 be included in the record of this proceeding but I would like  
23 to take this opportunity to specifically address two issues.

24 First of all, I would like to make an observation  
25 regarding the Commission's current suggested requirement that

1 we have a certain amount of children's programming on the  
2 weekends as well as the weekdays. I believe that whatever  
3 minimum you establish for the entire week, you should allow  
4 broadcasters the flexibility to be able to program these hours  
5 during the week or weekends. I personally believe that the  
6 most productive use of a broadcaster's limited resources is to  
7 strip educational programming over 5 weekdays. By, for  
8 example, stripping a half hour program, the broadcaster  
9 provides a minimum of 2½ hours per week of educational  
10 children's programming and it allows it to develop the  
11 continuity, the habit and rapport necessary to attract and  
12 retain the significant audience that we're all seeking. It  
13 may not be necessary to create an additional requirement and  
14 economic burden to program on weekends.

15           Other broadcasters might believe that the most  
16 appropriate or effective use of their limited resources is to  
17 create a weekend block of educational children's programming  
18 which children and parents will make a special effort to watch  
19 each week. These broadcasters should not also be required to  
20 program on weekdays. I believe that each broadcaster should  
21 be given the discretion to make that decision for itself.

22           The second issue that I want to address is the type  
23 of programming that qualifies as "core" educational children's  
24 programming. The Commission could define core educational  
25 programming very narrowly, to effectively include only the

1 three Rs. While this may be somewhat more appropriate,  
2 perhaps, for English language households, it overlooks the  
3 fact that perhaps one of the most important functions of  
4 Spanish language programming can be to assist children to  
5 retain the positive aspects of their language and their  
6 culture.

7           If the Commission continues to embrace a narrow  
8 definition of core children's programming, I am concerned that  
9 equally important programming, reenforcing, for example, the  
10 importance of family and civic involvement, will not be given  
11 the credit that a purely academic program might receive.  
12 Given the necessarily finite economic resources available for  
13 children's programming, it would be most unfortunate if  
14 Spanish language broadcasters were forced to sacrifice such  
15 vitally important programming merely to air other types of  
16 educational programming which the Commission may deem is, in  
17 their judgment, more beneficial for children's audiences at  
18 large.

19           In conclusion, Univision looks at its children's  
20 programming as an opportunity to serve its Spanish language  
21 audience and gladly undertakes that endeavor and has done so  
22 voluntarily. In fact, Univision is currently working to bring  
23 its audience new and innovated children's programming through  
24 imaginative cooperative efforts with Children's Television  
25 Workshop and Nickelodeon. But if the full benefit of such

1 programming is to be achieved, it is essential that the  
2 Commission give Univision's affiliates and broadcasters in  
3 general the freedom to program for the educational needs of  
4 its children's audience and not merely to satisfy unduly  
5 restricted government guidelines.

6 Thank you.

7 MS. ELLERBEE: Thank you very much. Chairman Hundt?

8 CHAIRMAN HUNDT: A really excellent panel. I'd like  
9 to direct a question to you, Shari Lewis, or Lamb Chop,  
10 whoever prefers to answer.

11 UNIDENTIFIED SPEAKER: Prefer Lamb Chop, Mr.  
12 Chairman.

13 CHAIRMAN HUNDT: But, but it's a very serious  
14 question, whoever wants to answer. Can you give us, from your  
15 experience, your own opinion concerning the range of costs for  
16 producing informational and educational T.V.?

17 MS. LEWIS: Well, you know, the, the range is really  
18 wide open and on PBS, for example, the range goes from about  
19 100,000 to the network -- Ninja Turtles cost 350,000. The  
20 range is, is quite tremendous. There are shows that are much  
21 cheaper. And if the personality on the show and the writing  
22 of the show is exuberant, those shows can succeed, too. But,  
23 you know, I, I was distressed to hear the gentleman speak of a  
24 show that was well invested and well advertised but didn't  
25 make it. And that is not an example of the fact that

1 educational shows cannot exist because there are Broadway  
2 shows that cost millions, hundreds of millions, that don't  
3 make it. Producing a show is roulette and it is lightening  
4 strikes when you hit a good show. And what we have to do is  
5 keep producing quality enriching shows that are vigorous and  
6 exciting. And when you hit one that succeeds, you say,  
7 hurray, and you stay with that. But the fact that a well  
8 advertised one doesn't make it is not relevant.

9 CHAIRMAN HUNDT: Miss Tate, -- I think if I could  
10 keep the focus on you, Miss Lewis, -- Miss Tate I think said  
11 that you really need to produce at least 42 half-hour shows.  
12 Is that -- did I get that right?

13 MS. LEWIS: 65.

14 MS. TATE: I think we, we'd prefer 65 or 130.

15 CHAIRMAN HUNDT: Okay, 65 or 130. And then you said  
16 that Ghostwriter for 42 shows costs \$20 million which I think  
17 is about \$500,000 a show. And we heard earlier that the  
18 production costs were about 250,000. So, you must be speaking  
19 of, of an addition -- half, about half of that 20 million is  
20 for something other than production?

21 MS. TATE: For ancillary products.

22 CHAIRMAN HUNDT: Right.

23 MS. TATE: For teaching aids.

24 MS. LEWIS: See, we, too, put out outreach booklets.  
25 I mean everything is expensive and yet it is the way to reach



1 the parents, the after school care providers, etc., so that  
2 there are hidden expenses that are tremendous.

3 CHAIRMAN HUNDT: What I hear you saying, Miss Lewis,  
4 that you think the price tag could be a lot lower and the  
5 program could still be interesting and entertaining?

6 MS. LEWIS: No, it's, it's strictly roulette. You  
7 know, entertainment is not a science. Entertainment is an art  
8 form. And if you hit -- and like any art form, the best  
9 doesn't exist until its invented. And if you hit -- if  
10 lightening strikes, that's wonderful but you have to have good  
11 writers to get good writing, good choreographers to get  
12 vigorous dance, wonderful musicians. And all of that costs.  
13 Every once in a while you hit the magic of a Beakman.

14 CHAIRMAN HUNDT: And, Mr. Walker, you talked about  
15 Energy Express and the -- could you give us a sense of whether  
16 your budget for that was in the same range that, that we're  
17 hearing from these other witnesses?

18 MR. WALKER: No, it wasn't the budget for Energy --  
19 well, not by comparison to that but by comparison to what we  
20 were trying to accomplish in terms of the vision of the show,  
21 \$40,000 an episode, which we felt was, at least at our level  
22 and for what we were trying to accomplish, was more than  
23 adequate. And I would just like to add, Commissioner, that in  
24 the respect that we're not giving up. I didn't mean to put a  
25 negative cast on our show. We have this to say, though, that

1 it's not easy and that we attempted and we failed but we're  
2 trying again. I guess if I were to plead any argument, it's  
3 just that to do that and, and keep your head up in the context  
4 of other impending types of restrictions or constraints is  
5 very difficult.

6 CHAIRMAN HUNDT: When you were -- yes, I mean I'm  
7 giving you a lot of credit for giving it a go with this Energy  
8 Express show and as a WGN watcher, occasionally I enjoy the  
9 Cubs and probably would like to have turned on that show 12:30  
10 on Sunday for the kids as well.

11 When you mentioned the 2 hours a week as a  
12 reasonable balance, were you thinking of \$80,000 a week? Is  
13 that, is that -- was that one of your factors in coming to the  
14 2 hours a week number?

15 MR. WALKER: Again, it would depend on, on -- we  
16 would try and set the show first, as Miss Lewis said, and it  
17 really doesn't -- it isn't as much a matter of -- doesn't have  
18 to be as much a matter of economics in that regard. You would  
19 set the vision for the show first and produce it accordingly  
20 and if you're lucky and it works, it works its own way, which  
21 is to say that Energy Express began as a truly local show on a  
22 much smaller budget and that we developed it as we took it  
23 national.

24 I would say the only other thing, Mr. Chairman, is  
25 that in our minds a show has to hold its own from the child's

1 point of view. So, if it's in this environment where it's  
2 held to a higher standard, for example, on Beakman's World,  
3 the -- met this challenge -- as Bill and I -- it has its own  
4 kind of -- achieves its own parity. But the kind of money  
5 involved in bringing something like that is way beyond the  
6 reach of a local station.

7 CHAIRMAN HUNDT: How many children were watching  
8 Energy Express?

9 MR. WALKER: Well, we had at, at our highest point  
10 we had a two household rating. What was particularly  
11 disappointing is that very few children were watching it. We  
12 changed our demographic as we went along and it actually kind  
13 fit the door as older children and pre-teen. To answer your  
14 question, because the viewership levels were so small, they  
15 would fluctuate from book to book, from measurement period to  
16 measurement period. And we were as high as a 3 percent teen  
17 audience to a zero percent, depending. And in the barter  
18 marketplace where it was our means of recapturing our, our  
19 production expenditure wasn't good enough.

20 MS. ELLERBEE: Commissioner Quello?

21 COMMISSIONER QUELLO: Yes. Dr. Montgomery, your  
22 study -- Center for Media Education Study had quite a bit of  
23 ink lately. I'm a little bit troubled with one thing and that  
24 is that apparently your study is anonymous, conducted by  
25 people that say they don't have market entry. And I think

1 anyone who has written and produced programs that haven't been  
2 accepted by a station or a network is not likely to be a very  
3 effective critic of the, of the overall marketplace. I mean  
4 the disappointment of not being accepted is I, I think a  
5 factor there. What -- so, I, I give the, the study a rather  
6 neutral look at this point.

7 MS. MONTGOMERY: Well, first of all, we interviewed  
8 a number of people who produced programs and distributed  
9 programs in the educational and informational category. Not  
10 all of them were completely unsuccessful. What we were  
11 identifying or what were the barriers, we talked to network  
12 programmers, we talked to distributors of successful shows, of  
13 shows that were not considered FCC friendly. And a number of  
14 them did speak on the record but understandably a number of  
15 them also did, did not want to speak on the record. But we  
16 found a fair amount of consensus in the areas that I reviewed  
17 today among the, the various people that we talked to in the  
18 study. And I don't think it can be attributed to as sort of  
19 -- attitude.

20 CHAIRMAN QUELLO: Okay. The, the unanimous number  
21 of, of, of people quoted bothered me a little bit but I'll  
22 accept that. I've had this before in dealing with producers  
23 other than children's programming where they, they claim that  
24 they were barred from entry when at the same time some of  
25 their best writers and producers were being paid millions to

1 produce for networks different than children's programming but  
2 that's the basis on which I, I looked at that, that study with  
3 some doubt.

4           The -- on Shari Lewis, the Canadians having tax  
5 benefits and the government finance, a good idea. We've had  
6 other people say we should have tax certificates here and have  
7 government incentives for producing programs. And I think we  
8 have to explore on how we can do it in addition to public  
9 broadcasting. But I'm glad you, you brought that up because  
10 it was brought up earlier.

11           MS. LEWIS: In the full presentation I have stated  
12 some specifics and there are -- there's backup material. I  
13 was trying to stay within 5 minutes, really, Linda. And I  
14 eliminated my backup material but if there's any discussion  
15 that anyone would like, I'd be pleased. I do have the backup  
16 material on additional financial incentives, tax credits,  
17 certificates and other technology, much of which has been  
18 utilized in other industries and could be automatically  
19 instantly applied to our industry. And if the government is  
20 serious -- and I've never felt that the government is serious  
21 in caring about our children. We have no universal day care.  
22 We have no universal after-school care. So, television is the  
23 leading baby sitter. It's not, it's not desirable but it's  
24 not going to change. And, therefore, all of this becomes  
25 extra important because we are allowing an industry to educate

1 our kids and to be the baby sitter without any eye toward what  
2 they are getting in terms of the programming.

3 COMMISSIONER QUELLO: Sheila Tate, public T.V. has  
4 got an honorable history and so does programming with your  
5 Sesame Street and Ghostwriter and Rainbow. It was suggested  
6 this morning that perhaps commercial broadcasters could  
7 underwrite some public broadcasting. Now, the idea is that  
8 they wouldn't have to actually advocate all the responsibility  
9 but they could perhaps sponsor some program and get credit.

10 How does appropriation of public broadcasting look  
11 upon maybe commercial broadcasting volunteering maybe to help  
12 on children's programming?

13 MS. TATE: I'll give you the official answer and the  
14 unofficial answer.

15 COMMISSIONER QUELLO: All right.

16 MS. TATE: The official answer is that, that we  
17 agree with the FCC's conclusion in an earlier proceeding  
18 concerning the Act that commercial broadcasters should receive  
19 credit for any non-broadcast efforts or support for any other  
20 station's programming.

21 We also agree with the FCC that such non-programming  
22 efforts should not entirely eliminate any broadcaster's  
23 obligation to air some specifically designed educational and  
24 informational programming.

25 Unofficially, it's my personal belief that, that

1 public broadcasting has tested over the years and is the  
2 premier delivery system which provides universal access for  
3 children in educational television.

4 I think that if enlightened self-interest brings  
5 commercial broadcasters to the conclusion that, that there are  
6 partnerships with us that make sense, we would be delighted to  
7 talk about them. I -- the initiative, I did not get a chance  
8 to describe to you, is precisely the kind of initiative that  
9 we would love to undertake with our colleagues on the  
10 commercial side. And it doesn't have to be money. It can be  
11 -- contributions, it can be simultaneous programming. It can  
12 be all sorts of services. And I think with the changing  
13 broadcasting circumstances and conditions, we ought to be open  
14 and look to all sorts of opportunities to do that.

15 COMMISSIONER QUELLO: Okay. Thanks for putting that  
16 on the record. And, Mr. Walker, Jim, long time -- really  
17 simply record of public service. I've been acquainted with  
18 Jim for a period of 45, 50 years. We used to even exchange  
19 personnel just once in a while with Jim. And I'm glad to see  
20 that you are here not only officially but personally because I  
21 earlier said that broadcasters, too, have children,  
22 grandchildren, nieces, nephews, friends of children and they  
23 also get a lot of public input on what's necessary on the, on,  
24 on the air on broadcasting. And I'm interested in, in, in  
25 your remarks. And I did say, too, that we must not forget

1 that children should also be made aware that there are great  
2 advantages in a democracy of having freedom of speech and  
3 freedom of the press, too. We shouldn't forget that.

4 So, that's my contribution, Mr. Chairman.

5 CHAIRMAN HUNDT: And a good one.

6 COMMISSIONER QUELLO: Thank you,

7 MS. ELLERBEE: Commissioner Barrett?

8 COMMISSIONER BARRETT: Thank you very much. Mr.  
9 Wiest, I was in T.V. Land and I was doing some work and I saw  
10 six of your, your goals.

11 You mentioned, you mentioned T.V. co-ops and you  
12 mentioned that's -- shown on my screen in there. Peggy  
13 mentioned this morning that, that if we had an allocation of  
14 funds from broadcasters. Would you see that as a way of  
15 paying for certain programs? The reason I ask you, you -- are  
16 you from Chicago?

17 DR. WIEST: I'm from Nebraska.

18 COMMISSIONER BARRETT: Do you know very much about  
19 that area you just delineated? There's absolutely nothing  
20 that they can agree on there. You are aware -- you are, you  
21 are aware that once you leave that yellow part, that the rest  
22 of that is rural. And it's the -- and it's the second farm-  
23 producing state in the country.

24 DR. WIEST: Well, I was wrong.

25 COMMISSIONER BARRETT: It's not number one. No, I



1 was just talking about the politics of it and the cooperative  
2 would be rather difficult.

3 DR. WIEST: Yeah. We don't, we don't think a small  
4 market station can, can support quality films T.V. and it's a  
5 way of --

6 COMMISSIONER BARRETT: Yeah.

7 DR. WIEST: -- helping them out also.

8 COMMISSIONER BARRETT: And I mention that because  
9 when you mentioned the co-ops, I was wondering how do you pay  
10 for that.

11 DR. WIEST: It would be barter programming, shut off  
12 the five/five split. The stations would receive the  
13 programming free and, and then the other advertising would  
14 support the production.

15 In an example here, we put together a fictitious  
16 staff of about 18 people that would have about a million and a  
17 half dollar budget and with that, I believe we could have  
18 programming on the air 5 days a week.

19 COMMISSIONER BARRETT: But you cover -- you would  
20 cover the cost of programming?

21 DR. WIEST: Yes.

22 COMMISSIONER BARRETT: Okay.

23 DR. WIEST: Advertising would.

24 COMMISSIONER BARRETT: Okay. Mr., Mr. Walker, it is  
25 glad -- I'm glad to see you. I grew up with Bozo The Clown.